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SUBJECT: Honduras and Nicaragua Re-Open Borders For Cargo
After Brief Stand-Off

1. Honduran truck drivers opened the Honduran - Nicaraguan border for cargo transport Friday, October 21, after blockading several key highways for approximately 48 hours. The blockage was in response to a similar move by Nicaraguan truckers a day earlier. Following a formal note of protest from GOH Foreign Minister Mario Fortin to Nicaragua, the situation escalated, becoming headline news in Honduras. The matter was quickly taken up and resolved by Honduran President Ricardo Maduro and Nicaraguan President Enrique Bolanos at the Central American Economic Integration (SIECA) summit in El Salvador on October 20.

2. Nicaraguan truck drivers first blocked cargo shipments on October 17 in response to a traffic ordinance (CT-140/2005) that had been interpreted as denying entry into Nicaragua by any cargo trucks that did not have Nicaraguan license plates. The traffic ordinance, recently promulgated by the Nicaraguan customs office, was denounced by the Honduran Transport Association (HTA) as a "bad interpretation" of a Nicaraguan Transport Law. "The law was intended to promote employment opportunities for Nicaraguan workers," said an Association spokesman, not to halt cross-border trade. In response, the HTA organized a counter-blockade on the Honduran side of the border.

3. The dispute highlighted the potential for problems within the nascent CAFTA-DR free trade zone. Honduran businesses, which send significantly more cargo to Nicaragua than they receive, were incensed. "What the transporters are looking for is a monopoly in their country," said Enrique Mejia Ucles, a member of the Honduran Counsel of Private Businesses (COHEP). "It's ridiculous because Honduras and the other Central American countries would simply do the same."

4. Presidents Maduro and Bolanos were quick to find a way to end the crisis from the summit in San Salvador, where U.S. Commerce Secretary Carlos Gutierrez was also in attendance as part of his recent three-country tour to promote CAFTA-DR. As part of the agreement, a technical advisory team was sent by SIECA (Secretariat for Central American Economic Integration) to meet with the Nicaraguan truck drivers and better understand their concerns.

5. At a luncheon with Secretary Gutierrez on October 19, President Maduro signaled his deeper concern and his clear intention to take up the issue the following day at the presidential level, when he said, "Everyone is talking about this blockade. The issue is not the blockade; the issue is democracy." Maduro has repeatedly joined with his regional counterparts, both individually and in the Organization of American States (OAS), in condemning what he considers increasingly anti-democratic developments in Nicaragua.

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